

Opening Statement of Chairman Fred Upton
“Protecting the Electric Grid: H.R. ____, the Grid Reliability and
Infrastructure Defense Act”
Subcommittee on Energy and Power
May 31, 2011

The subject of this hearing – protecting the electric grid – is an issue of critical importance to our national security. And it is of special importance to me, having worked last year with Mr. Markey on the “Grid Reliability and Infrastructure Defense Act,” or the “GRID Act.” We proposed that legislation in response to growing concerns regarding the security of the nation’s bulk power system. Building on last year’s progress, I am eager to hear from today’s witnesses about any changes that are needed to strengthen the proposal. We will continue working in a bipartisan manner to produce the best legislation we can to bolster the security of the grid.

The discussion draft released for today’s hearing is identical to last year’s GRID Act, making it an excellent starting point for this Committee’s efforts to address grid security.

The GRID Act gives the Federal Energy Regulatory Commission (FERC) the authority to respond to an imminent attack. The risk of such an attack is real, and the implications for our national security and our economy will be far-reaching if we do not act now to adequately protect the grid.

The grid’s reliability and security requirements currently are formed by the North American Electric Reliability Corporation (NERC). While NERC and industry have together made significant strides to address reliability and

cybersecurity concerns, NERC's deliberative process is not set up to quickly respond to imminent threats identified by federal authorities.

NERC's open stakeholder process can take months or years to develop and implement a mandatory standard. Moreover, confidential national security information could be compromised through some of the NERC transparency requirements. And NERC-issued standards and alert advisories are generally applicable to the entire electric industry, which makes it nearly impossible to address specific threats and vulnerabilities.

In contrast, the GRID Act would grant FERC the authority to address narrow grid threats and vulnerabilities tailored to specific entities and assets, thus assuring quick notice to – and prompt action from – owners and operators of the bulk power system.

Members of this Committee would not grant additional authority to a federal agency without careful consideration. However, where our national security and national economic interests are at stake, it is a step we are willing to consider to ensure the safety of all Americans and the reliability and affordability of our electricity supply to drive America's economy.

Accordingly, there is strong justification in this limited circumstance to arm FERC with tailored new authority to act in the face of imminent threats to the grid and to identify and mitigate vulnerabilities to the bulk power system.

I look forward to today's discussion and thank the witnesses for their participation on this critical national security issue.